S 668 423 578 474 reform movement encountered in Sinkiang. The attempts at forced cooperation resulted in many hard feelings and in violations of the principles set forth by the government. Examples were cited of "middle farmers" supplying carts or other tools, but not participating in the actual labor. Village cadres were unwilling to work on the cooperative farms lest their private interests suffer. Considerable difficulties were experienced in finding people who would accept responsibility. A partial solution was sought in sending more professional party workers to aid the cadres.

N *668 423 • 474 S 668 423 474 Similar reports are available from other parts of the Northwest. From these reports the following trends can be gathered:
(1) In the program of cooperativization the policy was to exclude not only the landlords but also the rich farmers. Since those who were not in the cooperatives would suffer social and economic ostracisim, the threat to all individual farmers kept out of the cooperatives was great.
(2) The experience of those who did join the cooperative groups, however, was not happy. Their hard work often was not properly rewarded. It was difficult to keep the record of credits straight. This was the reason why many cooperatives collapsed.
(3) However, the average farmer, including the party cadre, dreamed of becoming a rich farmer and private businessman.

Against this background one can understand the significance of Mao Tse-tung's drive for one million cooperatives in 1955. According to Mao's plan, by the spring of 1958 half of the agricultural population must be organized into cooperatives. In other words, by that time, half of the farmers in Northwest China would no longer be working on their own farms.

N *668 474 S 668 474 In the field of commerce and industry, the 3-anti and 5-anti movements were the prelude to the program which calls for the total elimination of private enterprise.

N *668 666 As described above, the political rights in the Chinese Soviet days followed the conventional Communist Party line. But during the Second World War, the Chinese Communists had advocated their democratic government and democratic elections in the border regions. Their procedure of a secret ballot included the following practices: "Each of the candidates' names is written on a bowl. The voter drops a bean or pea in the bowl bearing the name of his choice. If his election "unit" is entitled to more than one representative, he is given the proper number of beans. If a considerable number of the voters cannot read, the candidates are lined up, each carrying a well-calanced bowl or basket on his back. The voter drops his bean or beans into the bowl or bowls of his favorite candidate or candidates. The bowl is carried on the back to insure secrecy, so that no candidate knows who elects whom." (Hsu Yung Ying: A Survey of Shensi-Kansu-Ninghsia Border Region, Part I, p. 59.)

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175 problem is no longer one concerned with opposition to pan-racial-
668 ism (i.e., Great Hanism), but rather how to cooperate with the...
563 Chinese in struggling for the building of a free big family and in
631 opposing petty nationalism and the saboteurs of national solidarity."
(JMJP October 2, 1951).

N 3. Up to the end of 1953, it was reported that there were a total
*175 of 2,800,000 organized peasant households in the Northwest, or
592 45 per cent of the total number of peasant households (Ch'un-chung
162 jih-pao, January 1, 1954). The bulk of the number of organized
S peasants were in the interior provinces, while in Sinkiang only
175 33.8 per cent of the peasant households were organized. Not only
592 the percentage in Sinkiang, but also the average percentage of the
162 whole of the Northwest, compared rather unfavorably with the
77.32 per cent in Inner Mongolia.

N The figures on Table 4 are numbers of farming households in
[474] the Northwest, which were organized into farmers associations
[496] and into mutual aid teams up to December, 1953, based on statis-
tics appearing in the Communist press. (Figures in parentheses
are computed from percentages given of the total).

S 4. An important factor, too, was the special position of Soviet
175 Russia in Sinkiang. Soviet authorities had succeeded in gaining a
648 foothold in Chinese Turkestan during the administration of Sheng
Shih-ts'ai and later in the political vacuum attendant upon the
withdrawal of Nationalist influence in 1948-49. Soviet troops were
stationed at strategic points and Soviet party and consular officials
actually held the reins of power. Soviet interests were confirmed
in the treaty signed between Peking and Moscow in February, 1950,
to which were attached two codicils providing for the organization
of two joint stock companies for Soviet exploitation of the oil and
mineral resources in Sinkiang (not excluding the possibility of the
mining and shipment of uranium ores to the Soviet Union). To
implement these agreements, large numbers of Soviet experts
arrived to set up machine works, power plants, and to assist the
Chinese in the work of geological survey, veterinary and medical
research, the operation of trucking lines and state farms, cotton
production, insect eradication and sheep-raising (NCNA interview
with Burkhan, Kuang-ming Jih-pao, September 27, 1955). In the
face of Soviet domination of Sinkiang, it was difficult for Communist
China to assert its rule, except nominally, in that remote province.

It was with the death of Stalin that there was, ostensibly, a
reappraisal of Soviet relations with Communist China. During the
visit of Nikita Khruschev and Nikolai Bulganin to Peking in October,
1954, the pattern of Sino-Soviet partnership was readjusted to make
it more palatable to the ego of the Chinese leaders. In regard to
Sinkiang, one of the five agreements reached as a result of the
Peking talks was for the sale of Soviet shares in the two joint
stock companies to Communist China, transforming them into

[TEXT CONTINUED ON PAGE 5131]

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Table 4. ORGANIZATION OF THE PEASANTS IN THE NORTHWEST UP TO DECEMBER, 1953
(Based on Communist statistics)

	Total Population (1953 census)	Organized Farming Households Number	Percentage of total farming households	Mutual Aid Teams	Permanent Mutual Aid Teams Number	Percentage of Total No. of Teams	Agricultural Producers Cooperatives	State Farms
Northwest China	35,358,000	2,800,000	45 %				305	
Shensi	15,881,000	1,424,800	47 %	280,848	34,381	12.2%	234	93
Kansu (including Ninghsia)	12,929,000		45 %	194,400	19,400	10 %	32	50
Ninghsia (721,000)			53 %	13,615	2,535	16 %	19	-
Chinghai	1,677,000	96,000	52.3%	25,106	1,840	7.3%	10	-
Sinkiang	4,874,000	299,000	33.8%	51,600	(2,500)	5 %	10	-

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Central People's Government, the province of Ninghsia was merged into Kansu, (in June, 1956, the territory of the Alashan and Edsin-gol Mongols in Ninghsia was incorporated into the Inner Mongolia Autonomous Region), the municipality of Sian was transferred from the direct control of Peking to the Shensi Provincial People's Government, and the Northwest Administrative Council was dissolved.

However, by other more subtle means, the control of Peking over the Northwest provinces and the ascendancy of the Chinese over the national minority peoples in the border regions were bolstered, not reduced. The election of 1953-54 signalized the kick-off of the much heralded transition of China to socialism. This was the General Line of the State during the period of transition which was adopted by the Standing Committee of the National Committee of the Chinese People's Political Consultative Conference on September 24, 1953. In its economic aspects, it called for industrialization and collectivization, and in its political aspects, it stressed the consolidation of the unity of the peoples of China under the leadership of the Chinese Communist Party, the Central People's Government, and Mao Tse-tung. (JMJP March 28, 1954).

These two aspects were interrelated, industrialization and collectivization aimed at bringing further the people in line with the policies of the Communist party and government and consolidation was to be accomplished by the employment of cadres and the party members to arouse and organize the masses (cf. decision of the Central Committee of the Chinese Communist Party in NCNA, January 8, 1954).

A. Collectivization

Under a deliberate policy of the state, intensified by the Korean War, augmented by equipment and personnel transferred from the coastal cities and facilitated by improvement in transportation, industrialization had made tremendous headway in the Northwest. And with industrialization, the control of the workers by the state also increased. By the end of 1955, 540 kilometers of the 2,800 kilometer Lanchou-Sinkiang Railway had been completed, further extending Communist control over the Northwest.

However, the population of the Northwest is still predominantly agricultural, and it was in the organization of the residents of the rural areas into mutual aid teams and cooperatives that the extent of Communist control over the masses is best revealed. The situation in the four Northwest provinces is as follows:

Shensi: During the year 1954, the program of organizing the farmers into mutual aid teams and agricultural producers cooperatives suffered a setback due to incompetent leadership. (Report of Chao Shou-shan, NCNA August 14, 1954). As a report of the Northwest Bureau of the Chinese Communist Party revealed (JMJP August 19, 1954): "After the summer harvest, due to slack

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*175 leadership to mutual aid and cooperative organs in some places,
*668 a number of mutual aid teams ceased to exist. In Han-ch'eng
• 474 and Ho-yang, in Shensi, 20-30 per cent of such teams were sus-
[476] pended." As to agricultural cooperatives, the number increased from 1,970 or 1.32 per cent of the farming households in November 1954, to 17,000 or 16,83 per cent of the population by summer of last year. Plans are to increase the number fo 35,000 by 1957 to embrace 55 per cent of the households. However, by summer of last year (1955) too, the number of handicraft and supply and marketing cooperatives in Shensi embraced 13.64 per cent of the agricultural workers, and the 5416 credit cooperatives had a membership of 1,400,000 households, which was 45 per cent of the total farming households.

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[476] Kansu: in this province, where it was claimed that 57 per cent of the peasant population was organized, the number of mutual aid teams dropped from 245,300 in the spring of 1954 to 212,000 in 1955 and only a third of these was permanent. Due to "rightist ideology" of the cadres, the number of agricultural producers cooperatives also dropped from 7,419 in the fall of 1954 to 7,151 in spring of 1955. However, this was quickly rectified and by the end of the year, there were 16,849, embracing 23.43 per cent of the rural households and plans are to have 47,400 by 1957 to comprise 60 per cent of the households.

Chinghai: The 575 agricultural producers cooperatives at the beginning of 1955 embraced 80,000 households or 50 per cent of the peasant population. Sixty-seven per cent of the rural population was organized. (67.93 per cent)

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175 Sinkiang: Only five per cent of the 58,773 mutual aid teams in the
178 summer of 1954 were permanent. The number was increased to
474 75,275 embracing 63,32 per cent of the farming population, with
476 28.33 per cent of the teams permanent. The number of agricultural producers cooperatives rose to 1,702 by fall of 1955, but they occupied only five per cent of the cultivated area and their 47,328 households came to only 5.3 per cent of the farming population. The plans for 1957 are for 11,216 cooperatives to include 41 per cent of the households.

Only in the Ili Kazakh Autonomous District was the collectivization more satisfactory. In the summer of 1955, there were 6,200 mutual aid teams and 243 cooperatives embracing 65 per cent of the farmers. The political organization of the rural population in Sinkiang was also behind the other provinces. According to Wang En-mao, first secretary of the Sinkiang Committee of the Chinese Communist Party, 45.02 per cent of the farmers were organized in spring of 1955. (Sinkiang jih-pao, March 2, 1955).

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Table 6. CADRES ASIGNED TO AND TRAINED FOR COOPERATIVE WORK

	Total No. of Cadres	Number of Native Cadres	Cadres Assigned to Cooperatives	Cadres to be trained for cooperative work
Shensi			20,000	200,000
Chinghai	8,500	3,400	3,100	7,300
Sinkiang	51,000	34,400	27,000	
Kansu	(no figures available)			

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*175 B. Transfer of Cadres
*668 The vast expansion of cooperatives and the intensification of
• 474 the collectivization of the people demanded an increase in the num-
476 ber of cadres to supervise them. The number of cadres assigned to the task of cooperative building and the number of cadres to be trained for such work up to the fall of 1955 are shown in Table 6.

The assignment of the large number of cadres to the rural areas was, according to Chang Chih-chung, "to consolidate the mutual aid teams and producers cooperative work under a policy of active leadership." (Ch'un-chung jih-pao, January 1, 1954). However, the demoralization, the lack of discipline, the incompetence and low degree of political consciousness of the cadres when employed as officials of the people's governments during the first four years of Communist rule have not only impeded government and party work but also incurred ill-feeling among the people. The assignment of the cadres to the cooperatives in rural areas was to remove them from sensitive positions in the government.

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*175 Consequently, by 1955, when the work of the cadres in direc-
*668 ting the elections was over, there were few cadres left in the
*563 upper levels of government. This was particularly the case of
631 the national minority cadres. In Chinghai, out of the 3,400 native cadres, only 93 held responsible positions in the party organization in December, 1954, and in Sinkiang, only a third of the
S cadres in party committees on all levels were natives, two-thirds
175 were Chinese. In the government and in state enterprises, the
668 number of national cadres was even less. According to Wang
563 En-mao, secretary of the Sinkiang Committee of the Chinese
631 Communist Party, only 682 out of the 34,400 national minority cadres held responsible positions in the governments above the levels of county, although it was claimed in other Communist publications that 84.6 per cent of the cadres in government offices below county levels were natives. In the state commercial, animal products, tea, silk, and export enterprises, 63 per cent of the officials were Chinese. One of the reasons for the demotion of the national minority cadres was their lack of education and training. Burkhan, governor of Sinkiang, seeking to rationalize this state of affairs, said that of the 36,000 national minority cadres (his figure) trained in all fields of work since 1949, only 2,500 showed enough initiative to be promoted to be leadership cadres. (JMJP September 24, 1955).

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*175 To bolster the position of the Chinese cadres and to fill the
*668 ranks depleted by the transfer of local cadres to the work of col-
166 lectivizing the peasant population, large numbers of cadres and workers were sent to the Northwest from the coastal provinces. The figures of Table 7, gathered from scattered items in the Communist press, are incomplete, but they give an idea of the horde of cadres and approved workers and students pouring into the northwestern provinces during 1955 [TEXT CONTINUED ON PAGE 523]

party members were from the urban areas. In 1954, 4,000 workers were admitted into the party, a 14-time increase over 1953, and in the city of Sian, 40 per cent of the new members were workers. However, the bulk of the party men were in the government where they made up 23.6 per cent of the administrative personnel. In 125 factories, mines, and government enterprises there were no party branches, and in 63 industrial units there were no party members.

In the rural areas of Shensi, up to March, 1955, less than 0.6 per cent of the party members were farmers. Of the 845 hsiang in Shensi, 156 had no party members and in 15 per cent of the agricultural producers' cooperatives, notably those in Yenan (the old Communist capital), Han-ch'eng, and An-kang, had no party members. In the remaining 85 per cent of the cooperatives, the only party members were the members of the cooperatives and heads of the mutual aid teams. In Yenan Administrative District, for example, out of the 106 new members inducted into the Communist Party in 1954, 82 were members of the agricultural producers cooperatives and 24 were heads of mutual aid teams, and in Ch'ang-an county, 93 per cent of the 358 new party members were from the cooperatives.

The focus of attention during 1955 was the recruitment of party members from the factories and from the farms. Out of the 38,300 new party members to be recruited in 1955, 28,000 were to be from the rural areas, 5,600 from the factories, 3,300 from government agencies, and 1,400 from the schools. In the first batch of 6,000 new members recruited in spring of 1955 included 4,000 model farmers and 1,200 model factory workers. The total party members up to March, 1955 was 95,000.

Kansu: Party organization was stronger here than in Shensi. In 1954, 3,400 "advanced" peasants joined the party and there was a total of 3,938 rural party branches in 70.54 per cent of the hsiang. 16,200 party members held positions in the cooperatives and mutual aid teams. In 1955, 20,000 new members were recruited, and plans call for the recruitment of 120,000 Chinese Communist Party members and 480,000 New Democratic Youth League members by 1958.

Chinghai: By the end of 1954, there were 3,121 party members in Chinghai, 732 of whom were recruited from the 3,471 national minority cadres. Out of the 190 cadres trained in the Shun-hua Salar Autonomous Area, 61 joined the Communist Party. Since it was reported that there were party branches in 70 per cent of the hsiang, party leadership is spread very thin. Of the three thousand party members in Chinghai, only 93 native party members were employed in party headquarters, and 865 assigned to rural areas. As to the New Democratic Youth League, there were at the end of 1955, 9,328 members.

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241 433 Such costs could be avoided if intensive farming measures were emphasized, internal markets developed, and these in turn linked to China through a network of transport.

II. The Communist Period

241 *668 ### A. General Outline of Communist Policy for Agriculture in the Northwest

The pattern of Chinese Communist agricultural policy for this region is similar to what has emerged in China. The only differences have been in the timing and pace of reform policies which stem from the varying political, economic, and geographic conditions of the Northwest.

[423] When the People's Liberation Army had occupied the Northwest, land reform on a regional scale commenced. By 1951 land reform was completed in areas with an agricultural population of seven million; rents were reduced in areas with an agricultural population of ten million. (Current Background, No. 141, November 27, 1951. General Chang Chih-chung on Development in the Northwest. p. 14.) Immediately upon completion of the land reform, concerted efforts were launched to increase the agricultural and livestock production of the Northwest through cooperativization; by establishing mutual aid teams and then combining these into agr cultural producer cooperatives where land, farm implements, and livestock are pooled. The ultimate objective of the Chinese Communists is to cooperativize all agriculture in the Northwest, and through a network of such cooperatives, concentrate on raising productivity by expanding cultivation, sowing with better types of seeds, and using more advanced tools and farming methods. Cooperativization is taking place in villages and oases, and steps have been taken to establish state farms in regions where there are large tracts of reclaimed land.

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241 311 185 *668 Survey teams were sent out to determine what land might be reclaimed and cultivated. Upon the estimates of these teams, units of the army went out to reclaim the land. Because most of the land surveyed was desert, the construction and extension of irrigation works, the building of reservoirs, the setting up of irrigation pumps to pump the water through newly-dug canals over the desert had to begin at almost the same time.

311 185 *668 288 439 [248] Some progress has been made in extending cultivation and planting cotton by reclaiming waste land. Communist planning is ambitious and in future five year plans, they intend to make the province of Shensi a textile processing area to which Sinkiang and other areas in the Northwest will ship their cotton. In this way, it is hoped to ultimately make the entire region self-sufficient in textile production. Textile factories are being erected in Sinkiang too for the purpose of processing cotton produced there, and it is already reported that some cotton cloth is being shipped to the U.S.S.R.

000 and it is already reported that some cotton cloth is being shipped to the U.S.S.R.

452 In the field of credit financing, purchasing and marketing, ex-
• 474 tensive efforts have been underway to place these activities under
*668 the control of cooperatives specifically erected and designed to extend State control over the rural areas. These co-ops are designed to assist in agricultural planning and to assure the realisation of annual output quotas. Credit cooperatives are closely coordinated with the development of agricultural producer cooperatives in order to provide them with funds to develop and simultaneously to absorb any liquid savings that have accrued among these co-ops. For the purpose of State purchasing and marketing, cooperatives have been set up which survey individual households to determine household consumption and output. Frequently, advance purchases of expected agricultural surpluses are made by these co-ops. All surpluses which can be purchased by State marketing and supply co-ops are channeled through State apparatus to where they can be used most efficiently.

654 The State has taken measures to increase livestock production
232 by first attempting to set up mutual aid teams among the pastoral
*668 people and sending specially trained teams into the pastoral areas
[476] to immunize animals, teach the herders better care of their stock to prevent loss of animals, and conduct breeding experiments to
[177] improve the quality of livestock. Superior types of animals from the Soviet Union have been imported on some occasions to be bred with native stock.

242 Pests, locusts, and animal diseases have always been a
*668 scourge in this region. The State has undertaken to acquire tech-
[177] nicians and airplanes from the U.S.S.R. to spray regions where the threat of locusts has become serious. Insecticide has been distributed throughout the lower level agricultural co-ops and campaigns have been conducted among the peasants to eliminate plant and animal diseases.

313 Teams have been sent out to survey forested portions of the
*668 region and to determine what measures might be taken to expand existent forest reserves, plant saplings, establish nurseries and carry out large-scale afforestation to prevent erosion.

241 These have been the general measures taken by the Chinese
*668 Communists so far to develop agriculture in this portion of the
[433] country. Some successes have been scored; e.g., in increasing
[242] the number of livestock and higher crop yields per acre by the introduction of better procedures of livestock care and farming.
[474] However, the program of organizing the peasantry into co-ops to achieve similar results, has not been successful in every instance.
[518] Bandits and dissatisfied portions of the minorities who did not welcome the Communists have been quite active in disrupting their programs. As the years in the first five year plan pass, the plan-

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668 training takes time before these technicians, accountants, etc.,
241 can go out and organize co-ops, operate them efficiently, and train other native cadres. The 1955 plan calls for the training of 600 technical cadres for the "Centers for Promoting Agricultural Techniques," for the training of 500 in-office cadres by rotation, and for the training of 4,190 accountants and 5,337 technicians for agricultural producer cooperatives.

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668 An additional problem (which will be mentioned at this point
657 rather than repeated when each province of the Northwest is dis-
736 cussed) concerns the soldiers' dependents in the region and the
494 plight of discharged army personnel. The State has been particu-
729 larly upset by the lack of participation of these groups in coopera-
[464] tivization and special attention is now being devoted to utilize this source of manpower. Since dependents of servicement are given certain State stipends, in food, many of them feel that by joining a cooperative they will be deprived of this compensation. Because 1955 was a critical year in the Five Year Plan, the pace of erecting new co-ops and consolidating the older ones has been increased. Now many of the dependents and demobilized soldiers who were organized in these co-ops have backed out of them and many of these co-ops have, therefore, never been consolidated. Another problem in the co-ops is that the members do not want partly disabled or female workers, and, on the other hand, many dependents feel that the State should provide for them. (No. 1004, March 10, 1955, Supplements. "Actively Organizing Servicemen's Dependents for Mutual Aid and Co-op Work." U.S. Consulate General. Survey of China Mainland Press.) The proper allocation of labor in the Northwest remains a critical problem.

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175 2. Chinghai
668 By December, 1954, 575 agricultural producer co-ops had
494 been formed, and this constituted 9.12 per cent of all households.
452 The number of mutual aid co-ops was not given but it was reported
[476] that 69.7 per cent of all households had been cooperativized to some extent. There were also 159 supply and marketing coopera-tives, 148 credit cooperatives, and 12 handicraft producer co-ops. Long term low interest loans have been extended to poor peasants to encourage them to join farming co-ops. The first allocation totalled over 138 million yuan (U.S. $5,598). The interest rate is 0.4 per cent monthly and the repayment period is spread over five years. Besides these individual loans to poor peasants, there have been additional ones to enable the peasants to build small water conservancy works and buy new types of farm tools. All totalled, state loans amounted to more than 750 million yuan (U.S. $30,426) for 1955. (Far Eastern Economic Review, Dec. 1, 1955, pp. 686-87.)

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668 In a provincial report by Chan Kuo-sheng, Secretary General
241 of the Chinghai Provincial People's Government, on work
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conditions in 1954 and tasks for 1955, it was stated that 2,000 modern plows were now in use, and 67,245 mou (10,221 acres) of dry fields have been converted into water fields, while adequate water supply has also been made available to 28,597 mou (4,347 acres) of original water fields. It was planned to have 746 agricultural producer co-ops in operation in 1955, with an area of 5,115,000 mou (777,480 acres) to be sowed with a planned output for the province of 853,350,948 carries (42,337,207 bushels). An area of 500,000 mou (76,000 acres) is to be sown for oil bearing crops with a planned output of 10 million catties (24,137 metric tons). There is so little data for the pre-Communist and Communist period that it is impossible to construct a table. The only comparison that can be made is in oil seed bearing crops (and livestock which follows). The pre-Communist figures give an average of 21,000 metric tons for the years 1931-1939. Since it is planned to increase output to 24,137 metric tons, this will mean an increase of 3,137 metric tons; not a very significant increase.

In Chinghai there is a population of over one million; sixty per cent belong to the Tibetan, Mongolian, and Hui minority nationalities. The Communists reported that the province's seven million head of livestock in 1951 was increased to over twelve million in 1954 and it is planned that 20 million will be raised by 1957. (Pre-war and war year statistics list the total livestock at little over one million. Communists claims of sevenfold and twelvefold increases in this case, ought to be accepted with reservations. However, because the base year (one million) is so low, it is possible to have rapid increases of a relatively large magnitude.) The People's Government issued loans to husbandmen engaged in animal husbandry totalling 6,555,000,000 yuan (U.S. $266,365) in 1954. Steps were taken in cutting and storing grass for winter, repairing sheds and enclosures, and building winter and spring shelters to protect livestock during the cold season. It was also reported that in 1954, goals in planned purchases of cattle and sheep were achieved, and this produced definite contributions in support of the industrial construction of the State. At the same time, these activities served to educate the people in patriotism and mutual aid.

Tasks for the future were to continue to raise agricultural production based on the mutual aid and producer co-ops and to develop supply and marketing co-ops, credit co-ops, and arrange for markets in rural areas to promote interflow of supplies and planned purchase and planned supply of food. Care was to be taken to preserve livestock and to continue afforestation schemes. It was reported that within the province some 38,900 mou (5,913 acres) had been afforestated in 1954 and the number of fires greatly reduced.

*668 578 of the nationalization of cattle and sheep." And again, "there are also many counter-revolutionaries who exploit religion for sabotage and such instances are often found in the minorities areas. In certain pastoral areas in Chinghai, for instance, the discovery of heavenly edicts was rumored. These documents stated that the world would soon be destroyed, and the people meet with severe calamities and suffering." (Current Background. No. 356, September 12, 1955.)

Rumors and religious sects are apparently some of the more concrete forms peasant resistance has taken toward collectivization; among the various minority groups, such resistance can greatly hinder Communist agricultural planning.

*668 232 242 No doubt there is much room for improvement in the pastoral sections of Chinghai, simply by the introduction of better types of breeding techniques and by showing the nationality groups the proper care of their herds during the winter season. In addition, more irrigation and better farming procedures ought to stimulate greater productivity. But the central problem will remain: whether cooperative organizations will yield benefits or whether they will reduce peasant incentive and thereby, in the long run, weaken agricultural development of the area.

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3. Shensi

*668 433 *175 The following statistics are from a report by Hsieh Huai-teh, Director of the Department of Agriculture and Forestry for the Shensi Provincial People's Government on 1954 conditions and tasks for 1955. (No. 1014, March 24, 1955. Supplement. Survey of Chinese Mainland Press.) By the end of 1954, the total output of food for the province was 10,091,790,000 catties (201,835,800 bushels); cotton was around 1,800,000 piculs (119,970 tons) as compared to 65,802 for 1938 (nearly a twofold increase); but insufficient attention was paid to the planting of oil bearing crops in various sections and the total output amounted to only around 117 million catties (70,571 metric tons) as compared to the pre-Communist period average for the years 1931-1939, 212,000 metric tons.

*668 241 474 *175 By 1954, 59.4 per cent of the peasant households in the province were organized into some form of co-op, and 13.22 per cent of them had joined permanent mutual aid teams. There were 3,048 agricultural producer cooperatives including one collective farm. All together, around 847 villages have virtually become cooperativized.

*668 *175 241 312 In Shensi there are a total of seventeen State irrigation canals which have enlarged the irrigation area by 44,112 mou (6,705 acres). The number of wells, water wheels and pipe wells have been increased, and the total area irrigated enlarged by more than 192,000 mou (29,184 acres), amounting to 86.7 per cent of the plan for 1954. The total irrigated area in the province is now over 5,623,290 mou (854,740 acres).

*668 231 The number of large domestic animals increased to over 2,586,000, that of sheep (including goats) to over 3,003,500 and that of pigs to over 1,825,000. There are four state livestock farms. Compared to pre-war figures, domestic animals and pigs increased twofold while sheep increased nearly twelvefold.

*668 313 *175 In addition, a campaign for afforestation and forest protection was launched so that in northern Shensi by the end of 1954, some 280,000 mou (42,560 acres) had been afforestated by the State. During 1954, 206,900 mou (31,449 acres) were afforested, nurseries occupied 4,900 mou (754 acres), 856,100 mou (130,127 acres) of wooded wilderness were surveyed, and new forest developments were carried out on 61,500 mou (9,348 acres).

*668 185 433 [241] [231] By 1955 it is planned to increase the grain acreage so that it will be 70,150,000 mou (10,662,800 acres) and the total output 1,970,000 piculs (13,002 tons). Oil bearing crops will be increased and plans to develop animal husbandry are underway so that there will be 2,790,000 large domestic animals, 2,008,000 pigs, and 3,515,000 goats and sheep to relieve the shortage of meat and dairy products in the markets. [313] In 1955, the area to be afforested will be 280,000 mou (42,424 acres) and 7,000 mou (1,064 acres) will be used for nurseries. Tea plantations will be strengthened and growing of vegetables in the suburbs of cities will be promoted. All this will be accomplished by increasing

*668 185 [474] [241] the pace of cooperativization for 1955; seventy-five per cent of all households will be cooperativized and agricultural producer co-ops will total 21,000. A spring campaign will be launched also to enlarge the sowing area and improve stock breeding, and efforts will be made to strengthen leadership over production in hilly regions; technical reforms will be continued and stepped up. Finally, satisfactory supplies of consumer and producer goods will be given to the peasant. The latter (producer goods) include farm implements, fertilizers, draft animals, insecticides, spraying equipment and good seeds.

Some of the defects that crop up in Shensi are particularly serious since it is one of the most advanced provinces in the Northwest, from the standpoint of the large number of co-ops. The following obstacles have arisen to obstruct the campaign to step up cooperativization. [578] So-called rural "capitalist forces" and rumors fabricated by counter-revolutionary elements have brought uneasiness to the middle peasants. Consequently, peasants have sold or slaughtered their farm animals, felled trees, rushed to buy consumer goods, squandered their money. This state of affairs is supposed to have resulted because the correct policy of solidifying poor and middle peasants has not been carried out. Commandism among the cadres is reported to prevail and this has had the over-all result of slowing down cooperativization.

000 So-called counter-revolutionary elements were reported to

*668 185 248 311 suitable cotton strains for sowing and the best methods of irrigation for the large-scale cultivation of cotton in the province. 17,000 hectares (42,907 acres) are now being surveyed in the Kansu corridor and the vast plains along the Yellow River in Northwest China for future establishment of mechanized state farms. Altogether, the corridor and the plain are estimated to have over 650,000 hectares (1,616,150 acres) of wasteland. In 1954, it was found that the greater part of 200,000 hectares (494,200 acres) of wasteland surveyed was suitable for cotton; three new mechanized state farms have been set up so far there.

*668 241 369 Some of the information available on agricultural policy in Kansu deals with the area around Lanchow, where there is some suburban farming, and the development of cooperatives in the Wu-chung Hui Nationality Autonomous Chou of Kansu Province (from a speech by Ma Teng-ai delivered on July 22, 1955, to the National People's Congress). Discussion of these areas will not give us a complete picture of the progress or difficulties in agricultural development but they will indicate the trend of agriculture in Kansu.

[565] [423] In Lanchow, it was reported that the landlord class and "feudal" exploitation of the peasants in the suburban areas had been abolished. 15,112 mou (2,297 acres) of land had been confiscated and distributed among 20,400 peasants who possessed no land or very little. Production and livelihood materials were also distributed among these peasants. So far, seven vegetable and agricultural producer co-ops and 606 mutual aid teams are in existence in the suburban areas. These included roughly 32.46 per cent of the peasant households; expanding agr cultural production to meet the daily growing needs for vegetables in the city has been stressed. By fall of 1956 it is planned to have eighty-three per cent of all agricultural rural households in the suburbs, in agricultural producer co-ops. Two socialist vegetable producer co-ops will be established. Future emphasis will be on the expansion of vegetable farms, orchards, and development of poultry and pig rearing.

*668 241 369 The city of Lanchow has grown greatly in the past five years with the influx of troops, technicians, laborers, and their families. It is questionable whether agriculture in the surrounding areas can have maintained this population growth. This would imply that some food would need to have been shipped from China.

[474] [476] [443] There have been some difficulties in developing co-ops and mutual aid teams, as in other parts of the Northwest. Planned purchases and marketing of food, extremely critical in this neighborhood since the urban life of Lanchow rests upon these marketing procedures, have not been carried off successfuly and have slowed up cooperativization. There has been evidence of bureaucratization, lack of class responsibility toward the poor and middle peasants, and a lack of serious study and investigation of conditions.

*668 563 474 476 185 In the Wu-chung Autonomous Chou, in Kansu, Hui and Han groups live together. Today there are 277 agricultural producer co-ops, eighty nine for the Hui and 124 for the Han. More than 3,200 mutual aid teams have been developedp 1,200 are permanent. Future policy stresses increased agricultural production by cooperativization. In a speech delivered by Ma Teng-ai to the National People's Congress however, key emphasis was placed on the correct implementation of solidifying the poor and middle class peasants and following the principle of allowing the peasants of various nationalities to enter the co-ops voluntarily. Such a desire to enter must result from the mutual benefit they feel they would receive. When agricultural producer co-ops are to be formed, namely, consolidating the various permanent mutual aid teams and pooling land, farm implements, etc. special attention is to be given the customs, habits, and religious beliefs of the different nationalities. For instance, if the Hui and Han members of the same cooperative do not want to use the same well, different wells are to be drilled, and used separately. If hogs are raised in a cooperative, they may be attended by the Han members themselves and they are not considered an auxiliary occupation of the cooperative. The Chinese Communists, in dealing with the nationality problem in the Northwest, so far have tread very lightly whenever they wished to promote cooperativization. They have proceeded very slowly, using subtle methods of persuasion to urge the various nationalities to enlist their labor power in the mutual aid and produce co-ops.

*668 669 578 474 Communist administrators complain bitterly of counter-revolutionary activities in Kansu. In a speech by Su Chen-yung, Vice Director of Public Security Bureau, he states: "Counter-revolutionaries have unceasingly wages destructive activities against the Socialist transformation enterprises in both the cities and the countryside. With a view to impeding the work of the peasants joining the cooperatives, and to sabotaging agricultural production, they concentrated on certain reactionary landowners, wealthy peasants, and Taoist leaders to cheat some backward elements into establishing false cooperatives and even organizing uprisings." (Union Research Service, Vol. 3, p. 43.)

Su Chen-yung then gives as examples the disruption of progress in establishing agricultural cooperatives, the killing of Communist cadres, the burning of supply and marketing cooperatives storehouses, etc. Such admission by Communist officials of overt violence indicates that the Chinese Communists still are encountering peasant resistance, although nearly seven years have passed since their occupation of the region.

*668 24 474 185 C. Conclusion

The Chinese Communists have attempted to control closely

*668 241 474 185 and coordinate all rural activities toward the fulfillment of Chinese Communist agrarian policy: complete cooperativization of agriculture and the assurance of a steady flow of food and raw materials through fixed purchase of produce. (The problem of agricultural taxes in the Northwest has not been mentioned so far, [651] The Communists have not reported any reduction of agricultural taxes, or what the average tax rates in the Northwest are.) They have a system of cooperatives at the basic production levels. Though cooperativization has taken place slowly because of the peculiar conditions of many areas in the last six years, it is expected that once some nucleus of control has been established in the rural areas in the form of permanent mutual aid cooperatives and producer cooperatives, rapid cooperativization will take place, to embrace, ultimately, all rural inhabitants.

*668 563 In the national minority area, the Chinese Communists have proceeded slowly, so far, in their attempts to organize agricultural and pastoral activities. The problem of different national [474] minority groups has been one of the principal stumbling blocks in the creation of lower level co-ops, and will undoubtedly pose a barrier to rapid cooperativization.

*668 241 654 452 Secondly, the State has been able to provide only a small supply of farm implements and credit. Shortages in China and the difficulties of transportation undoubtedly account for this. It is questionable whether these shortages can be overcome in the next few years, but when they are, new farm tools and sufficient credit should account for significant output increases.

*668 241 433 Thirdly, one of the principal ways the Communists have attempted to increase output in the Northwest has been through extensive farming rather than through intensive means. They have done this by using vast amounts of labor, particularly military, to reclaim desert wastes, build irrigation works, and construct state farms to manage the reclaimed area. Evidence of this is most striking in Sinkiang and Kansu. Although Chinghai and Shensi with their hills and valleys limit extensive farming procedures, cultivation has been extended wherever possible. Because of the shortage of fertilizer and tools the Chinese Communists have been unable to promote intensive farming on a scale that would raise output per acre significantly. Instead, they have had to resort to expanding cultivation, that is, extensive farming, to obtain the desired increases.

*668 241 231 433 Finally, it is clearly evident that in all parts of the Northwest, with the exception of Chinghai, there has been a general neglect in promoting livestock production and instead an all-out effort to increase the planting and extension of cultivation of wheat, cotton, and oil seed bearing crops. This program differs radically from policy measures suggested by Western agronomists, i.e., J.L. Buck and T.H. Shen who advocated the restoration of fertility to

INDUSTRY

A The Pre-Communist Period

*175 47 The Northwest was an industrially backward area in China. Before the Sino-Japanese War (1937-1945), over ninety percent of China's modern industrial plants were located in the coastal provinces, and very few people paid any attention to the industrial potential of this area. During the war years when the coastal provinces were lost to Japan, the importance of the Northwest greatly increased, and efforts were made to develop its industrial production in order to cope with the shortage of goods. But under the difficult conditions during the war, progress was very slow. Up to the end of 1942, the major industries in the Northwest were still limited to the manufacture of woolen, cotton and leather goods, machine tools, and flour-refining. (Handicrafts are not included, because of the lack of information.)

1. The woolen industry

*175 288 • 474 [471] The woolen industry in the Northwest was distributed among the following cities: in Lanchou, Kansu, there were thirteen factories and thirteen cooperatives engaged in woolen manufacturing. The biggest one was the Kansu Woolen Weaving Factory, which was built by Tso Tsung-tang in 1876 with a capital of some L 80,000. Equipped with a 240 horsepower generator and twenty-one machine looms, it began production in 1879, turning out some twenty pieces of woolen cloth per day. But production of this factory was interrupted from time to time due to political instabilities and other reasons. It did not fully come back to life until after the Sino-Japanese War when the Ministry of War took it over and changed it into a blanket-making factory for the armed forces. The next was the [471] Lanchou Woolen Weaving Factory, which had a capital of CNC $600,000, and which produced some CNC$6,000,000 worth of goods in 1942. Another is the Experimental Factory of the Weaving Cooperatives, which turned out some CNC$5,400,000 worth of goods in the same year. The rest were on a very small scale, using only hand looms. The twenty-six woolen [433] [471] factories and cooperatives in Lanchou had a total capital of CNC $2,800,000, and they produced 95,600 army blankets, 30,400 ordinary blankets, 800 square feet fine woolen, and 1,062 pieces of other woolen cloth in 1942, the value of which was CNC$22,600,000.

In Yu-lin, Shensi, there were nineteen small factories and nine industrial cooperatives. They had 204 looms in all. But only one was power-operated, and the rest were hand looms. The output of the industry as a whole was not reported, but it is known that the raw wool which they consumed during one

N
*175 year exceeded 2,000,000 catties, or some 2,600,000 pounds.
288 There were twenty-five factories in other cities in Shensi,
• 474 of which number thirteen were in Sian, nine in Pao-chi, and one each in San-yuan, Ta-li and Pai-shui. Their output was also not disclosed, but their annual consumption of raw wool was reported as 720,000 catties ching, much smaller than that in
N Yu-lin. Besides, there were ten cooperatives in Sian and Pao-
[433] chi, which could produce 600,000 to 700,000 army blankets
N per year.
[471] In Ninghsia, there were five small factories with a total
[433] capital of CNC$230,000. They produced some CNC$1,200,000 worth of goods in 1941. All of them were using hand looms.
S In Sinkiang, there was one woolen factory in operation, but
[288] details are lacking. There is no report of woolen factories or cooperatives in Chinghai.

N 2. The cotton industry
*175 The development of cotton industry in the Northwest was
288 mainly stimulated by the Sino-Japanese War. Before 1937, there was not a single modern cotton factory in this area. But during the war, many factories had moved from the Japanese-occupied areas to Shensi, and many new ones were built there. In 1942, the total number of spindles exceeded 60,000, and the annual consumption of raw cotton was 130,000 piculs, about twelve percent of the total production of Shensi.

N 3. The machine tool industry
392 There were forty-five machine shops in Shensi, six in
S Kansu, and three in Sinkiang. The more important ones are as
[392] follows:

1. Hsi-ching Machine Factory, Sian, which was built around 1910 and equipped with fifty-five tool-making machines such as lathe, planing, drilling and pressing machines. Its annual capacity was as follows: four lathe, three water-pumping machines, ten iron looms, five cotton extracting machines, twenty ginning machines, five printing machines, and a number of paper-making machines. Besides, it also accepted orders for the repair of machinery and weapons of war.

2. Hsi-ching Machine Repairing Factory, Sian, the main job of which was to make auto parts. Its monthly output was 90 pistons, 2,500 piston rings and 180 gears, enough for the maintenance of eighty trucks.

3. An iron works, operated by the army, which turned out some twenty looms per month, and also basic machine tools.

4. The Northwest Machine Factory, which had more than eighty basic machine tools, such as lathe, planing machine, drilling machine, etc., was perhaps the largest machine shop in the Northwest, and its main task was to make looms and parts for the textile industry.

As to control on the retail level, it is exercised through the various cooperatives and the mobile trading units. As far as the cooperatives are concerned, detailed information is not available. However, a recent report on the state of trade in the rural market, Lo-men-chen, Wu-shan, Kansu, may well illustrate how deeply the Communist control has penetrated into the rural areas. According to this report, Lo-men-chen is one of the large rural markets in the county of Wu-shan, which lies near T'ien-shui on the T'ien-shui-Lanchou Railway. The market is open on every other day, and the number of people coming to trade is usually between five and six thousand. Before the Communists took over, there was no government control over such markets. But under the Communist regime, the following measures have been adopted (cf. Hsin-hua yüeh-pao, 1956, No. 2, pp. 94-96):

1. State Purchase: The Communists demand that farmers or producers sell certain commodities to the state trading companies or their agencies before they may sell elsewhere. Such commodities, in 1954, were grain and oil products.

2. Controlled Markets: The Communists have put five commodities under their direct control. They are grain, cattle, lumber, firewood and hemp. Prices are fixed by those who are in charge of economic control, and trade is conducted mainly on the wholesale level under the supervision of the Communist cadres. The volume of trade of these commodities in 1954 amounted to 276,422 yüan (approximately U.S. $110,000), constituting some 30 per cent of the total value of trade of Lo-men-chen.

3. Free Markets at Fixed Locations: Such markets are conducted in a specific place, and the Communists do not regulate the quantity nor the price. In 1954, the volume of trade in these markets amounted to 448,379 yüan, constituting some 60 per cent of the total value of Lo-men-chen trade. The main commodities belonging to this category are straw hats (seasonal), bamboo and wood articles (mostly farming implements), hemp rope, hemp shoes, vegetables, fruits and chinaware. The participants include the agencies of the state trading companies and the cooperatives.

4. Mobile Free Markets: These include peddlers who are not under government control and do not have a definite place of marketing. Trade of this nature is necessarily on a very small scale, the total volume constituting about ten per cent of the total trade of Lo-men-chen.

It is mentioned in the same report that government control has made remarkable progress since 1953. In 1953, all retail trade of Lo-men-chen amounted to 2,123,682 yüan (NJMP), of which amount the state trading companies handled 3.58 per cent,

the cooperatives handled 2.65 per cent and 93.77 per cent was handled privately. But in 1954, private trade was reduced to 43.02 per cent, state trade increased to 41.55 per cent and that of cooperatives increased to 15.43 per cent, the total being 2,372,936 yüan. In the first five months of 1955, the private trade comprised only 23.42 per cent of the total of 871,234 yüan, and the state and cooperatives handled 74.36 per cent. Although all this is the situation in one single rural community, it can be assumed that it is typical.

The mobile trading units are especially designed for the control of trade in the so-called national minority regions where the people are mostly nomads. They travel from one place to another, to provide the herdsmen with the supplies they want and to buy up their products. According to a semi-official statement concerning the trade in the national minority regions (cf. Hsin-hua yüeh-pao, 1955, No. 9, pp. 178-79), the Communists aim to achieve two things in this connection. One is to raise the standard of living of the minority peoples by giving them better terms of trade. For instance, the exchange ratios between wool (the main export) and tea and cloth (the main imports) in Hsi-ning from 1950 to 1954 were as follows:

Table X: Exchange Ratios between Wool, Cloth and Tea in Hsi-ning

Year	Price of Wool per 100 catties (yüan)	Exchange Ratio with respect to: 1. cloth (No. pieces per 100 catties/wool)	2. tea
1950	745,700	2.29	11.61
1951	1,042,700	3.09	19.61
1952	1,230,758	3.71	28.13
1953	1,278,825	4.18	34.44
1954	1,258,000	4.18	31.45

Source: Hsin-hua yüeh-pao, 1955, No. 3., p. 146.

The other aim is to drive foreign goods out of the national minority regions and replace them with goods made in China. If the Communists really mean what they said, this would lead to a sharp conflict between Chinese and Soviet goods, especially in Sinkiang, where Soviet goods have long been very popular. However, no detailed information on this matter is now available.

C. Evaluation and Prospects

According to Communist propaganda, trade control in the Northwest has been very successful. For instance, they boasted that the per capita purchase of commodities in Liu-lin-chu, Yao-hsien, Shensi, has increased from 345,000 yüan in 1953 to

467,000 yüan in 1954, showing an increase in purchasing power of 40.8 per cent. In the second sub-district of Hsien-yang, Shensi, the per capita outlay was 410,000 in 1953, and 620,000 yuan in 1954, showing an increase of 51 per cent. In Sinkiang-Uighur Autonomous Region, the purchasing power of the people is said to have increased 13 per cent in 1954 as compared with 1953, and the total value of state purchases of local products went up 3.7 times in 1954 as compared with 1950. And in the national minority regions, the total sales of state trade in 1954 increased 4.7 times as compared with 1951, and the total purchase in 1954 increased 5.1 times as compared with the same period.

On the other hand, the Communists have admitted certain failures. For instance, on March 15, 1955, the Sian Municipal Committee of the Chinese Communist Party issued a directive to improve the work of unified grain marketing, in which it was pointed out that waste and extravagance have been prevalent, and it was demanded that the party and the New Democratic Youth League branches in the various places should supervise and ensure the check-up.

Another failure is revealed in the report on trade control in Lo-men-chen, Wu-shan, Kansu. From June, 1954, to January, 1955, the supply and purchase cooperatives in that area undertook to buy all the native products at an official price and prohibited the farmers from entering free trade. But the farmers refused to cooperate, and they reduced production and lowered quality. As a result, the Communists had to reverse themselves and announce that it was still too early to eliminate free trade entirely in the rural areas.

As to trade in the national minority regions, the shortcomings as admitted by the Communists are as follows: One is that the state trading agencies were interested only in wholesale and refused to purchase products in small quantities. Another shortcoming is that they sometimes unduly eliminate private merchants and thus a shortage in commercial outlets results. Still another shortcoming is that the Communist cadres had failed to pay attention to the specific needs of the national minorities. For instance, some of them were so careless as to send swimming suits to mountainous areas or electric typewriters to areas in which people do not even know how to write (cf. Hsin-hua yueh-pao, 1955, No. 9, pp. 178-79).

The main difficulty of the Communist control of trade in the Northwest seems to be the lack of cadres. For instance, the so-called socialization of wholesale trade in the coastal cities such as Shanghai and Tientsin was more or less completed in 1953, but they did not start it in Sian until 1955. Similarly, the control of rural trade in Kansu, as revealed in the report on Lo-men-